



Charles S. Owens, State Director  
National Federation of Independent Business  
115 W. Allegan / 6<sup>th</sup> Floor  
Lansing, MI 48933  
(517) 485-3409

**Testimony on House Bill 5613 – State Rules no Stricter than Federal  
House Regulatory Reform Committee - Wednesday, May 18, 2016**

My name is Charlie Owens and I am the State Director for the National Federation of Independent Business, an advocate for Michigan small businesses owners since 1943. Thank you for this opportunity to come before the committee and testify in support of House Bill 5613 sponsored by Representative Triston Cole.

In 2011, we supported House Bill 4326 sponsored by Representative Jeff Farrington that also sought to limit the promulgation of rules in Michigan to a standard of “no stricter than federal rules”. This bill was part of a package of regulatory reform bills passed by the legislature in 2011. All of the bills except HB 4326 were signed by Governor Snyder, and we thank you for these important reforms. We are also aware that there was a follow up bill discussed in this committee sponsored by Representative Farrington (House Bill 4246) that sought to address the concerns of the Administration relative to the veto of HB 4326.

In March of 2015, NFIB gave a presentation to this committee concerning the impact of regulations on small business. We would just like to revisit a few summary points from that testimony since it is relevant to the bill in front of the committee today.

- Regulations have a disproportionate impact on smaller companies. Research concerning federal rules alone has shown that this difference can be as much as 36 percent between the costs incurred by small firms when compared with their larger counterparts.
- Federal Regulations on small businesses (firms that employ fewer than 50 people) averaged \$11,724 per employee in 2012 – up from \$10,585 in 2010. This does not include local or state regulations.
- Since we testified just over a year ago – the avalanche of regulations at federal, state and local government levels has been unrelenting.

We conclude by asking for your support of House Bill 5613 that would require more scrutiny and justification when the promulgation of rules is stricter than an existing federal rule.